

Message Text

PAGE 01 TAIPEI 03736 230628 Z

12

ACTION EA-14

INFO OCT-01 ADP-00 CIAE-00 EB-11 INR-10 LAB-06 NSAE-00

RSC-01 SIL-01 OPIC-12 TRSE-00 L-03 H-02 PA-03 PRS-01

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FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 8985

USDOC WASHDC

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E. O. 11652: N/A

TAGS: ECON, ELAB

SUBJECT: THREATENED TEMPORARY CLOSURE OF GENERAL
INSTRUMENTS (TAIWAN) FOR SUBSTANDARD FACTORY
WORKING CONDITIONS

1. FOR PAST TWO DAYS PRESS HAS CARRIED STORIES THAT
GENERAL INSTRUMENTS (TAIWAN) WOULD BE CLOSED
DOWN FOR ONE WEEK BEGINNING JUNE 25 BY MINISTRY OF
INTERIOR FOR FAILURE TO COMPLY ADEQUATELY WITH REGULA-
TIONS GOVERNING FACTORY SAFETY AND SANITATION. GENERAL
INSTRUMENTS IS LARGEST EMPLOYER AMONG ALL U. S. FIRMS ON
TAIWAN AND, AS ELECTRONIC COMPONENT PRODUCER, SUPPLIES
MANY OTHER U. S. ELECTRONICS FIRMS HERE AND IN
U. S. CLOSURE WOULD BE SERIOUS BLOW TO PRODUCTION
ACTIVITIES OF OTHER U. S. ELECTRONICS COMPANIES
HERE AND WOULD UNDOUBTEDLY LEAD TO NUMBER OF OTHER SHUTDOWNS.

2. LOCAL HEAD OF GENERAL INSTRUMENTS, MR. NARMA,
VISITED THE AMBASSADOR YESTERDAY TO DISCUSS THREAT TO
CLOSE THE PLANT AND DURING COURSE OF CONVERSATION
AGREED THAT WHILE GNERAL INSTRUMENTS HAS BEEN STEADILY
IMPROVING ITS FACILITIES PURSUANT TO GOVERNMENT REQUESTS,
IT HAS NOT YET BEEN ABLE TO COMPLY WITH ALL THE SAFETY

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PAGE 02 TAIPEI 03736 230628 Z

AND SANITATION REQUIREMENTS SOME OF WHICH NARMA BELIEVES
ARE UNREASONABLE AND OUTDATED. THE AMBASSADOR SAID THAT
WE WOULD WATCH DEVELOPMENTS CLOSELY TO SEE WHETHER IT
MIGHT BE DESIRABLE AND APPROPRIATE AT LATER DATE FOR

EMBASSY TO PROVIDE FACILITATIVE ASSISTANCE IN DISCUSSIONS WITH GRC OFFICIALS. HE NOTED THAT ADCM HAD ALREADY DISCUSSED MATTER INFORMALLY WITH ONE SENIOR GOVERNMENT OFFICER. AMBASSADOR COUNSELED A CONCILIATORY APPROACH BY NARMA TO GRC OFFICIALS. NARMA AGREED TO ADVISE EMBASSY OF OUTCOME OF MEETING LATER THAT AFTERNOON WITH OFFICIALS OF MINISTRY OF ECONOMIC AFFAIRS AND MINISTRY OF INTERIOR (DEPARTMENT OF LABOR).

3. EMBASSY LEARNED THIS MORNING FROM REPRESENTATIVE OF GENERAL INSTRUMENTS AND FROM SENIOR OFFICIAL OF MINISTRY OF ECONOMIC AFFAIRS THAT MEETING BETWEEN GENERAL INSTRUMENTS AND GRC OFFICIALS LATE YESTERDAY WENT VERY WELL AND IT NOW APPEARS UNLIKELY - THOUGH IT IS NOT YET CERTAIN - THAT GENERAL INSTRUMENTS WILL BE CLOSED DOWN ON MONDAY. NARMA REPORTEDLY WAS VERY ACCOMMODATING IN THESE DISCUSSIONS, AGREEING TO VARIOUS FURTHER IMPROVEMENTS ON A DEFINITE SCHEDULE. SOME ISSUES, HOWEVER, REMAIN TO BE RESOLVED.

4. WE HAD ALERTED U. S. COMPANY REPRESENTATIVES OVER MONTH AGO TO POSSIBILITY THAT GRC WOULD REQUIRE STRICTER COMPLIANCE BY U. S. ELECTRONICS FIRMS WITH EXISTING WORKER SAFETY AND WELFARE REGULATIONS AND OFFERED TO WORK WITH U. S. FIRMS IN ANY APPROPRIATE WAY IN THEIR DISCUSSIONS WITH GOVERNMENT OFFICIALS. HOWEVER, STUDY OF GENERAL PROBLEM BY U. S. ELECTRONICS FIRMS HAS ONLY JUST BEEN COMPLETED AND WE HAVE NOT YET BEEN ASKED TO PROVIDE ANY ASSISTANCE. FOLLOWING OUR CONVERSATION THIS MORNING WITH THE HEAD OF THE INDUSTRIAL BUREAU IN MINISTRY OF ECONOMIC AFFAIRS WE ADVISED LOCAL CHAMBER OF COMMERCE OFFICIALS AND HEAD OF ONE OF LEADING U. S. ELECTRONICS MANUFACTURERS OF RECEPTIVITY OF MOEA TO MEETING WITH REPRESENTATIVES OF ALL OF THE ELECTRONICS FIRMS TO DISCUSS THE GENERAL ISSUE OF SAFETY REGULATIONS IN ORDER TO FORESTALL FUTURE CRISES OF THE KIND THAT HAS JUST CONFRONTED GENERAL INSTRUMENTS. BOTH SIDES HAVE AGREED

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PAGE 03 TAIPEI 03736 230628 Z

TO PROCEED ALONG THESE LINES.
MCCONAUGHY

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